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C. DUKES SCOTT
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DAN E. ARNETT
CHIEF OF STAFF

August 15, 2005

VIA U.S. MAIL

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Application of Utilities Services of South Carolina, Inc. for Adjustment of Rates
and Charges and Modifications to Certain Terms and Conditions for the Provision
of Water and Sewer Service
Docket No. 2005-217-WS

Dear Mr. Terreni:

For your docket, please find enclosed a copy of the Office of Regulatory Staff's First Continuing Data Request which was served on counsel Utilities Services of South Carolina, Inc. Also, if you would please date stamp the extra copy and return it to me via courier.

Please let me know if you have any questions.

Sincerely,

Wendy B. Cartledge

Wendy B. Cartledge

WBC/rng
Enclosures

cc: John M.S. Hoefer, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2005-217-WS

2005 AUG 15 11 32
SC PUBLIC SERVICE COMMISSION

IN RE:

Application of Utilities Services of)
SC, Inc. for Adjustment of Rates and)
Charges and Modifications to Certain)
Terms and Conditions for the)
Provision of Water and Sewer Service)
_____)

CERTIFICATE OF SERVICE

This is to certify that I, Rena Grant, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **OFFICE OF REGULATORY STAFF'S FIRST CONTINUING DATA REQUEST** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John M.S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
1022 Calhoun Street, Suite 302
Columbia, South Carolina 29201



Rena N. Grant

August 15, 2005
Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2005-217-WS

IN RE:

Application of Utilities Services of)
SC, Inc. for Adjustment of Rates and) **OFFICE OF REGULATORY**
Charges and Modifications to Certain) **STAFF'S FIRST CONTINUING**
Terms and Conditions for the) **DATA REQUEST**
Provision of Water and Sewer Service)
_____)

TO: JOHN M.S. HOEFER, ESQUIRE, ATTORNEY FOR THE APPLICANT,
UTILITIES SERVICES OF SOUTH CAROLINA, INC.

INSTRUCTIONS

The Office of Regulatory Staff hereby requests, pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2004), that the Applicant answer the following data requests in writing and under oath within ten (10) days after service at the Office of Regulatory Staff, 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. If you are unable to respond to any of the data requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these data requests, "identify" means, when asked to identify a person, to provide the full name, title, and current address and telephone number of the person. When asked to identify a document, "identify" means to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, you may attach to your responses a copy of the document and identify the person who has custody of it. When the word "document" is used herein, it means any written, printed,

typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings. As used in this data request, "address" means mailing address and business address.

Wherever in this data request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS HEREIN REQUESTED:

- A. That all information shall be provided to the undersigned in the format as requested.
- B. That all responses to the requests below be labeled using the same numbers as used herein.
- C. That each of the enumerated data requests be reproduced at the beginning of each of the responses.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but instead, that the information be reproduced and placed in the data request in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.
- F. That all exhibits be reduced to 8 ½" x 11" format, where practical.
- G. That the requested information be bound in ring binders (loose leaf notebooks) or otherwise suitably bound.
- H. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each response be indicated.

- I. That the Company provide to the Office of Regulatory Staff two copies of the responses to this data request as soon as possible but no later than ten (10) days after service thereof.
- J. If the response to any data request is that the information requested is not currently available, please state when the information requested will be available.
- K. This data request shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.

QUESTIONS

- 1.1 List the names and business titles of all people who provided information for preparation of the Application and Exhibits.
- 1.2 Provide a detailed breakdown for the "Salaries and Wages" category for the last pay period in the test year and the most recent pay period.
- 1.3 Provide details and documentation regarding any DHEC fines. If there are any, for what reasons and in what amounts were the fines issued? Provide a copy of the orders dictating the fines. Does Utilities Services of South Carolina, Inc. have any outstanding noted violations by DHEC? If so, what are they and provide a copy of the documentation by DHEC that outlines these potential violations.
- 1.4 Provide depreciation schedules or ongoing property records that document asset balances for Utilities Services of South Carolina, Inc. plant, equipment and vehicles.
- 1.5 Provide the complete General Ledger for the 2004 test year for Water Services Corp. and for Utilities Services of South Carolina, Inc.
- 1.6 Provide the 2002, 2003 and 2004 Working Trial Balances for Water Services Corp. and for Utilities Services of South Carolina, Inc.
- 1.7 Provide all work papers, documents, plats, maps, recordings or other items used to prepare the Application and its attached Exhibits.
- 1.8 Provide all federal and state income tax returns signed and filed by Utilities Services of South Carolina, Inc. for tax years 2002, 2003 and 2004. This request includes all supporting schedules and documents, such as 1099s and the like, whether filed or not.

- 1.9 Provide information on the following:
- a. How many taps have been connected to the systems owned by Utilities Services of South Carolina, inc. from inception of the system to the present?
 - b. How much revenue from tap fees has been collected from customers from inception of the system to the present?
 - c. What is the maximum number of taps that can be installed on the present system?
 - d. How many taps were provided since inception of the system(s)? Please provide amount by year.
 - e. How many taps do you anticipate making per year during the next five years?
 - f. What were the total costs expensed for taps each year during 2002, 2003 and 2004?
 - g. What were the total costs capitalized for taps for each year during 2002, 2003 and 2004?
 - h. Exhibit B, page 13, lists the number of projected customers for Utilities Services of South Carolina, Inc. What period is this for?

The following questions reference Exhibit B of the Application.

- 1.10 Provide detailed work papers for all proposed accounting and pro forma adjustments for revenues, expenses and rate base on Schedules B and C.
- 1.11 Provide a copy of Water Service Corporation's Distribution of Expenses Report used to allocate expenses for the test year.
- 1.12 Provide a copy of the most recent consolidated financial statements for Utilities, Inc. and Affiliated Companies.

Schedule A

- 1.13 Provide details for the Plant Acquisition Adjustment for Water and Sewer of \$1,180,579 and \$65,678 respectively.
- 1.14 Provide a summary of Construction Work in Process (CWIP) for the test year for Water and Sewer Operations of \$625,872 and \$538 respectively. Details should include the names of the projects, total amounts of the projects, amounts expended to date, dates projects commenced and projected in-service dates. Provide the Capital Projects Ledger for the test year.
- 1.15 Provide details and Tap Fee Master file (if applicable) for Contributions in Aid of Construction for Water of \$28,686.
- 1.16 Provide details on the Accumulated Deferred Income Tax for Federal and State Taxes of \$520,934 and \$628, respectively, listed in Exhibit B on Schedule A on page 1.

Schedule B

1.17 Provide the Company's calculation of per book Depreciation Expense using plant categories and approved depreciation rates.

1.18 Provide a schedule of Long-Term Debt and Interest Expense on Long-Term Debt for the test year. Provide computations and work papers supporting the 55.91%/44.09% debt/equity ratio and cost of debt of 7.28%. Provide all work papers detailing cost of debt, cost of equity and return on rate base set forth in the Application.

1.19 Please provide a schedule detailing rate case expenses to date.

Schedule C

1.20 Provide a schedule of the Company's computation of Cash Working Capital.

1.21 Provide details of the Water Service Corporation's Rate Base amount of \$55,561.

August 15, 2005

Wendy B. Cartledge

Wendy B. Cartledge, Esquire

Shannon Bowyer Hudson, Esquire

Office of Regulatory Staff

P.O. Box 11263

Columbia, South Carolina 29211